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UNFPA INTERNAL AUDIT AND OVERSIGHT ACTIVITIES IN 1998

Report by the Executive Director

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1. This report provides the Executive Board with a summary of internal audit and oversight activities of the United Nations Population Fund in 1998. It outlines the key issues in the findings of internal audits and in the oversight activities of the UNFPA Office of Oversight and Evaluation (OOE). The report is being submitted in response to a request made by the Executive Board at its second regular session in 1996.

I. ORGANIZATION AND RESOURCES

2. Under the provisions of UNFPA Financial Rule 114.18, the Executive Director has arranged with the Administrator of UNDP for the internal audit services of the Fund to be undertaken by the UNDP Office of Audit and Performance Review (OAPR). The Executive Board may also wish to refer to the report of the Administrator of UNDP on internal audit and oversight activities (document DP/1999/23) which is being submitted at this session.

3. The UNFPA Internal Audit Section became operational in May 1993 and consists of a Chief, one Audit Specialist and one support staff. The Fund, recognizing that with current resources it is not possible for the Section to provide adequate audit coverage of all UNFPA units within the recommended cycle of five to seven years, has expanded coverage through the use of consultants. UNFPA also wishes the Section to start monitoring and reviewing reports on audits of projects executed by Governments and non-governmental organizations (NGOs) for which additional resources would be needed.

4. The Section is further augmented by commercial firms contracted by UNDP. The work carried out by these firms is under the supervision of the Regional Audit Service Centres in Harare, Zimbabwe, and Kuala Lumpur, Malaysia. A Regional Audit Service Centre was recently opened in Panama to cover the audit services in the Latin America and Caribbean region. OAPR is currently in the process of identifying a contractor to carry out audit services in the Latin America and Caribbean region during 1999 and 2000. The contracted firms examine the annual accounts and conduct compliance audits, on a biennial basis, of all offices where a UNFPA Representative is assigned. Beginning in 1999 the contracts may provide for audits of selected offices where the UNDP Resident Representative is also the UNFPA Representative.

5. The OOE, an organizational unit of UNFPA established in late 1996 that reports directly to the Executive Director, is the focal point of internal oversight within UNFPA. The OOE is responsible for ensuring that the findings and recommendations of all oversight functions at UNFPA are acted upon and reflected, as necessary, in decision-making on organizational management, policies and programming procedures. In this connection, it also makes proposals to the Fund's senior management concerning institutional development. Towards this end, besides managing the conduct of policy application reviews and of thematic evaluations and ad hoc independent evaluations of

major projects and programmes, the OOE works in liaison with OAPR concerning internal audits of UNFPA operations. It monitors follow-up to audit recommendations; reports to the Executive Director on trends in the findings of internal and external audits, policy application reviews and evaluations; and proposes measures to strengthen organizational and programme processes. In addition, audit and oversight issues are discussed regularly by the UNFPA Executive Committee, which is composed of the senior management of the Fund.

6. The Joint Inspection Unit (JIU), in its report entitled *More Coherence for Enhanced Oversight in the United Nations System* (JIU/REP/98/2), offers a comprehensive review of the various oversight mechanisms in place within the United Nations system. Although the JIU consulted with UNFPA in preparing the report, the report does not reflect the full range of the functions of the OOE.

7. UNFPA agrees with the report's conclusions and recommendations concerning the significant opportunities for sharing of experiences and the impracticality of adopting a single oversight model for all United Nations organizations. In regard to reporting procedures, UNFPA, in its reply to the JIU, pointed out that the Fund was already reporting annually to the Executive Board on internal audit and oversight activities, and biennially on evaluation activities. In addition, the Fund conveyed its concern to the JIU that efforts should be made to ensure that reporting requirements are commensurate with the staffing and resources of small organizations such as UNFPA.

II. INTERNAL AUDIT ACTIVITIES IN 1998

8. The internal audit activities carried out during 1998 include the following:

(a) Management audits in eight field offices;

(b) Compliance audits in fifteen countries in the Africa region undertaken by one public accounting firm;

(c) Compliance audits in seven countries in the Asia and the Pacific region undertaken by one public accounting firm;

(d) A review of one division at UNFPA headquarters.

9. The Executive Director is satisfied with the services provided by the UNFPA Internal Audit Section/OAPR, which successfully implemented a broad work plan in 1998 despite limited resources. The management audits provided valuable information to strengthen the internal control structure and performance of UNFPA.

10. The annual audit work plan was developed by the Section in close consultation with the OOE. The work plans of the Section and the OOE were coordinated to the extent feasible. The Section work plan was revised periodically to reflect special audit requests and changing circumstances that arose during the year.

11. In order to enhance the quality of its services and practices, OAPR continued the quality service initiative (QSI) programme during the year. The QSI is an initiative to improve the way OAPR conducts its business, including improvement in the outputs of the Section. In that context, OAPR, inter alia, issued guidelines on audit report reviews, and checklists on submission of reports, and defined and clarified the scope of contractual audits. Some of the initiatives that are part of a process of continuous self-improvement led to improved practices and results in the operations of the UNFPA Internal Audit Section.

12. Staff development is important to meet current challenges in the audit profession. In this respect, during 1998 one staff member received training on operational auditing and another staff on tools and techniques for auditing. A Control Self Assessment (CSA) exercise was also held for the Section. The CSA is a management tool that allows managers to assess their operations and results within the context of their accountability so that risks are identified early and corrective action is taken. Following a proactive and preventive approach, OAPR offered advisory services to UNFPA units. Some services were solicited by the units while others were initiated by the Section following management audits. The Section also provided briefings to UNFPA Representatives on mission at headquarters. The briefings underscored the need for internal controls. A document entitled *Internal Control Considerations* was prepared by the Section for use in the country offices. It is currently under review in collaboration with the OOE.

III. MAJOR AUDIT FINDINGS AND FOLLOW-UP ACTIONS TAKEN

13. In general, the country offices in the Africa and Asia and Pacific regions were rated **Satisfactory** based on the audits. Of 43 reports issued in 1998 (including 1997 audits for which reports were issued during 1998), the level of internal controls and the compliance with financial and administrative requirements were found to be **Satisfactory** in most offices, with two offices receiving a **Good** rating. However, one office was rated **Seriously Deficient**; two offices were rated **Deficient** in at least one area of the operations; nine offices were rated **Marginally Deficient**; and five offices were rated **Marginally Deficient** in at least one area of the operations. The Section issued 685 recommendations during the year which can be broken down as follows:

Area	No. of recommendations
Programme matters	233
Financial operations	78
Personnel administration	109
General administration	184
Office automation	81
Total	685

Audit findings are closely reviewed by UNFPA at the most senior level and follow-up actions are undertaken by the concerned parties and monitored by the respective Geographical and other divisions and the OOE. The issues listed below are being followed-up.

Agreements with the Commission of the European Communities

14. During 1997 and 1998 UNFPA, like other sister agencies of the United Nations system, entered into several financing agreements with the Commission of the European Communities to support project activities. Being unaware of the guideline ST/AI/52 issued in 1947, the agreements undertaken had not been reviewed by the United Nations Office of Legal Affairs before final action was taken on them. However, UNFPA is now submitting, as of 1998, all "international agreements" to the Office of Legal Affairs for review. Some of the clauses in the agreements with the Commission relating to recruitment, procurement and audit were not entirely in line with United Nations rules and regulations. However, in the actual practices followed in implementing projects covered by those agreements, no serious violations of rules and regulations with any material consequences occurred. Following a post-facto review of the first agreement signed in April 1997, the Office of Legal Affairs had suggested to suspend action under the agreement until it had been revised. UNFPA did endeavour to renegotiate the specific provisions with the Commission of the European Communities; however, the Fund was unable to do so because of the ongoing negotiation between the United Nations and the Commission of the European Communities on developing a common framework. At present those negotiations are still ongoing. In light of this, UNFPA in discussion with the United Nations Controller agreed that the Fund's signing of past agreements is not prejudicial to ongoing negotiations between the United Nations and the Commission of the European Communities.

Policies and procedures

15. A task force was created by the Executive Director in October 1996 to update the policies and procedures in light of the decentralization of approval authority and new programming thrust of UNFPA. Effective early 1998, the Executive Director has institutionalized the functions of managing the Policies and Procedures Manual (PPM) by designating the Technical and Policy Division as the responsible unit to maintain the PPM. The PPM set consists of the Organizational Handbook, the Programme Manual, the Administrative and Personnel Manual, the Finance Manual, and Additional Guidelines and Guidance Notes. The main chapters in the Organizational Handbook, the Programme and the Administrative manuals and the Additional Guidelines have been distributed; the Finance and the Personnel manuals are being finalized and will be distributed in the near future. In October 1998, in order to enhance dissemination and facilitate easy access, finalized PPM chapters were included on the UNFPA website. Also, a mechanism to monitor the use of existing policies and procedures and to determine emerging needs is being operationalized to complement the policy application reviews being conducted by the OOE. For example, new policy guidelines are needed to work with the private sector, particularly the profit-making sector.

UNFPA execution

16. In July 1996, the Executive Director, taking note of the trend towards increased UNFPA execution of projects, recommended that UNFPA execution be kept under careful review and be undertaken only when fully justified and within UNFPA capacity, in order to ensure technical and financial accountability. Frequent reminders on this issue were sent to country offices and the trend in UNFPA execution is under regular review. One of the functions of the Programme Review Committee (PRC) is to review UNFPA execution: the Chair of the PRC takes note of the trends and recommends adjustments; the field offices are kept informed of the PRC discussions; and the respective divisions are required to follow-up on the concerns and recommendations of the PRC. In the division audited, it was found that the monitoring and review of execution modalities was not explicitly mentioned in its work plan. However, the division indicated that efforts had been made and were ongoing to reduce UNFPA execution of projects. In some countries, however, due to specific political or operational situations or lack of national capacity, especially in the area of procurement of goods and services from abroad, UNFPA execution was deemed the most effective and appropriate execution modality. In its discussion of this audit finding, the UNFPA Executive Committee decided that concurrent efforts must be pursued to select the most appropriate execution modality and to reduce UNFPA execution. The Fund is undertaking an analysis to define under which circumstances UNFPA execution is clearly warranted.

Closure of operationally completed projects

17. In response to the concerns expressed by the Executive Board, UNFPA management intensified its efforts to financially close operationally completed projects. During 1998, 1,739 projects were closed. However, some projects had not been financially closed within twelve months after activities had been completed: the process involves preparation of the final report on activities, final budget revisions, final project audit, recovery of unspent balances, disposal of equipment and evaluation. In some cases delays were experienced in meeting these requirements.

18. In order to ensure that, in the future, projects are closed in as timely a manner as possible and in accordance with standard procedures laid out in the Financial Manual, a new mechanism has been devised. To that effect, the Division for Finance, Administration and Management Information Services has developed a facility that will systematically identify dormant projects as part of the normal year-end procedures. A listing, by country and region, of projects that have had no financial activity for three consecutive years will be forwarded to the geographical and other divisions, whose responsibility it will be to follow-up with the country offices, as necessary, to determine the true status of the projects and to communicate appropriate action for project closure to the Finance Branch. It should also be noted that the concerned units of the Fund have been actively following up on these matters.

Summary of key issues

19. The following is a summary of key issues, classified by subject, raised by the auditors and contractors in connection with the recommendations based on 43 audits of country offices and 1 headquarters division. It should be noted that they are not necessarily applicable to all the audited units.

Programme

20. In the programme area, the audits of projects executed by Governments and NGOs were not always timely and there was inadequate follow-up. Project documentation was inadequate, for example, in a number of instances project documents or letters of understanding were unavailable or not signed. Monitoring was another area requiring strengthening in terms of financial reporting as well as visits to project sites and the documentation of such visits. Concerned country offices were instructed to take the necessary corrective action, and this will be followed up by the OOE and subsequent internal audits. In addition, these issues are highlighted in subregional cluster meetings of UNFPA Representatives and field office staff.

Finance

21. In the finance area, the audits found inadequacies in the timeliness in preparing the status of allotment reports and, to a lesser extent, the quality of such reports. The control over petty cash funds was inadequate in some offices and the UNFPA Representative or Country Director was sometimes not fulfilling his/her certifying function. In cases where it was found that there was a lack of monitoring of cash payments and advances, UNFPA headquarters instructed the concerned Representatives to adopt more rational payment and accounting practices. UNFPA also issued a circular on 26 August 1998 to all staff emphasizing accountability in the management of cash payments. In line with their monitoring functions the geographical divisions are following up these matters.

Administration

22. In the area of general administration, a greater need for control was noted in some cases with regard to inventory of office equipment and telephone usage; the segregation of duties and procedures with reference to procurement was not followed in some instances; and in some field offices a need to strengthen the management and use of official vehicles was noted. Subsequent to the audits, concerned offices were requested to establish appropriate internal control systems. The audit findings were also shared with the Training and Finance Branches so that the relevant training courses in 1999 could address the concerns identified. In addition, the Executive Director has, in a circular, emphasized that UNFPA Representatives need to assume managerial oversight of financial matters.

Personnel

23. In the area of personnel administration, the most prevalent findings pertained to the annual performance planning and review processes, such as absence of training plans and inadequate record keeping. In addition, control over leave and attendance records was also found to be inadequate in several instances. Moreover, in the case of the headquarters division audited, the job descriptions of staff members were found to be outdated.

24. Concerned country offices and divisions at headquarters were instructed to take appropriate action to address the issues raised by the audits. In addition, the Executive Director reiterated to UNFPA Representatives that they were fully responsible and accountable for personnel administration and management in the field offices. The updating of job descriptions is integral to the in-depth work force planning exercise currently in process.

Office automation

25. In the area of office automation, the audits found some cases where the maintenance of hardware in offices was not covered by a service agreement. They also noted inadequacy or absence of back-up arrangements and the lack of a disaster and recovery plan. In addition, since information management was centralized at headquarters, offices were not required to prepare individual information management plans and that may have negatively affected automation in some country offices. The absence of an interface between the UNFPA and UNDP systems at the country office level had increased the workload as well as the potential for errors.

26. It should be noted that most of these findings occurred prior to the issuance, in November 1998, of the new Management Information Systems guidelines which specifically address the issues raised. The Fund is aware that its financial monitoring system requires rationalization and has taken steps to diagnose the key issues. Resource constraints have delayed the establishment of a new system.

IV. AUDIT FOLLOW-UP

27. In 1998, with the designation of a professional post in the OOE as the focal point on audit matters, systems were put in place not only to monitor the implementation of audit recommendations but also to enable periodic analyses of trends in audit findings. Using a database on findings of audits conducted from 1993, analyses were conducted to identify the most prevalent findings, globally and by region, in major categories of operations, i.e., programme, finance, general administration, personnel, and office automation. Reports were prepared for the attention of concerned units highlighting areas of weakness and proposing appropriate remedial action. A summary of major issues identified in audits was also reported to the Executive Director and subsequently discussed by senior management in the Executive Committee. Audit and oversight matters are regularly on the agenda of the Executive Committee.

28. Databases were also created to enable monitoring of the follow-up action taken in response to the observations and recommendations of internal audits as well as of the United Nations Board of Auditors. On the one hand, this promotes an accountability culture within the organization and, on the other hand, it facilitates a dialogue on difficulties encountered in implementing certain recommendations.

V. REVIEW OF REGIONAL PROGRAMMES

29. A desk review was undertaken in 1998 of the regional programmes supported by UNFPA in the 1996-1999 intercountry programme period. The objectives of the review were to assess the

adherence of the regional programmes to the proposals outlined in document DP/1995/44, approved by the Executive Board in 1995 and the process of project development, appraisal, approval and management employed by the concerned programme units. Some specific considerations were: compliance with decentralization guidelines; information flow to UNFPA country offices; and meeting monitoring and evaluation requirements. The timing of the review was opportune since the current programme cycle was drawing to a close and preparations for the next cycle had begun. The review found that with minor exceptions, the regional programmes generally adhered, financially and substantively, to the proposals in the Executive Board document. Since the document emphasizes discrete proposed activities rather than a coherent programme approach, and with few indicators given, it was difficult to establish whether or not the objectives had been achieved. There was little linkage noted between regional projects or between these and the interregional projects or country programmes, except between some regional training programmes. Regional applications of interregional research were not apparent, and few really innovative or experimental projects were formulated.

30. Regional projects have good potential for advocacy. However, better follow-up to and use of the recommendations from regional meetings and events is needed to confirm their impact. Similarly, regional workshops and research also require systematic follow-up. The review noted missed opportunities for greater use of relevant outputs and recommended the establishment of mechanisms to disseminate project outputs on a timely basis. However, it should be noted that new information systems are being put in place to better utilize lessons learned, best practices and project outputs.

31. Regional training programmes aimed at national capacity building are among the largest projects, often encompassing high international personnel costs. Since there had been limited monitoring and follow-up of trainees, it was difficult to determine whether the ultimate goal of such training had been achieved to any significant extent and if it had been undertaken in the most cost-effective manner.

32. The review found that project documentation needed to be improved and there was also a need to document the appraisal process. Both financial as well as substantive management of regional programmes needed rationalizing. The review pointed out that the formulation of fewer, larger projects would not only facilitate a programme approach but would also reduce the management burden on the programme units. There is need for a structured, streamlined framework for the development, management and appraisal of regional programmes in order to enhance accountability and to improve efficiency in their management. This is being addressed, inter alia, by application of both the subprogramme approach and logical framework (logframe) techniques provided for in the Programme Manual, which help to ensure a coherent programme with linkages and enable systematic monitoring of the programme and outputs. The new intercountry programme guidelines

currently being finalized incorporate these principles. An inter-divisional working group has been established to better coordinate the development, appraisal and monitoring of regional programmes.

33. In the past, time constraints posed limits to the analysis and assessment of the preceding programme cycle, and there was insufficient involvement of field staff in setting programme priorities and conceptualizing strategies. By the same token, UNFPA staff were not particularly well informed of the added value of regional programmes and their role in support of country programmes. Executing agencies were not reviewed systematically for their comparative advantages and their capacity to execute regional projects. These lessons are being taken into account in the preparations for the next programme cycle. UNFPA headquarters has made a concerted effort to seek the inputs of the field offices, the Technical Support Services staff and other partners in developing the new inter-country programme.

VI. POLICY APPLICATION REVIEWS

34. Policy application reviews were conducted in five countries in 1998 -- three in Latin America and the Caribbean region and one each in the Africa and Asia and Pacific regions. These reviews, which are internal exercises, examine in depth the process of programme development and implementation. They ascertain, inter alia, that appropriate mechanisms to ensure accountability are in place and are being used by UNFPA staff. In addition, steps taken to achieve the Fund's mission, particularly in promoting the implementation of the ICPD Programme of Action, are reviewed, together with the country office's role in the United Nations resident coordinator system. The reviews also assess the relevance and ease of application of UNFPA policies and procedures and identify areas where greater clarity in programme policy and technical guidance are needed.

35. The findings of these reviews not only provide senior management with snapshots of how selected country offices are performing their programme managerial and advisory roles, but also serve as a conduit for field staff to provide feedback on the nature and quality of support they receive, and need to receive, from the Country Support Teams (CSTs) and from UNFPA headquarters. These reviews have proved invaluable in the process of continuous review and assessment of the Fund's policies and procedures, and their recommendations, which usually deal with Fund-wide concerns, are being actively addressed at the highest levels.

36. The Executive Director, in consultation with the Executive Committee, determines the follow-up needed in response to each review. Responsible parties in the field or at headquarters, as appropriate, are assigned. The concerned divisions are accountable for the implementation of follow-up action related to specific programmes, thematic or financial/administrative area and for

reporting on the outcome of these efforts. The OOE is responsible for monitoring and reporting on follow-up actions at the Fund-wide level.

37. In all five programmes reviewed, the country offices have been active in promoting the implementation of the ICPD Programme of Action, through support of national committees or commissions, workshops, publications and media events. The outcome of such efforts is evidenced by the elaboration or revision of official policies, strategies, action plans and legislation. The ICPD+5 review process provided new impetus to policy dialogues at the country level. Action was also taken in some instances to broaden the base of support for population and development issues through new partnerships with government units other than the Fund's traditional government counterparts and with civil society. The reviews indicated that reproductive health as a programme approach had been well accepted although institutional barriers and resource constraints to integration of services remain. Particular attention had been paid to increasing the access of specific underprivileged groups to services. The focus on gender issues was evident at the political level, but there was still a need for tools to facilitate mainstreaming gender concerns in programme planning and to assess the gender sensitivity of specific proposals. In two cases, UNFPA collaborated directly with state-level administrations in programme implementation. These would be interesting cases to follow in order to derive lessons for future attempts to employ such implementation modalities.

38. Funds were earmarked in one case in the current UNFPA-supported country programme for NGO execution, and in another, there was significant involvement of NGOs in programme implementation. In the other three cases, there had been some, but rather limited, collaboration with NGOs.

39. With regard to resource mobilization, there is evidence of successful efforts in two countries; in one case with the private sector in the country. UNFPA will need to articulate modalities for receiving private funds for programme activities at the country level. Communication between country offices and headquarters on resource mobilization needed improvement in some instances.

40. In the countries reviewed, the level of activity of the United Nations resident coordinator system varied significantly, due in some measure to the profile of the United Nations system as a whole in each case. UNFPA country offices made efforts to contribute to United Nations system activities, particularly through the theme groups on gender and HIV/AIDS. Governments did not always accord high priority to coordinating external assistance. The absence of formal mechanisms notwithstanding, UNFPA country offices generally attempted to assist Governments in enhancing coordination through informal contact. In general, UNFPA was viewed by its partners as accessible, responsive and flexible.

41. The programmes reviewed generally adhered to the approved programme framework, although the older programmes appeared to have been over-optimistic in terms of the country's absorptive capacity thus necessitating extension of the programme period. It was noted that the rationale and actual process of decision-making for such extensions were not consistently documented. The demarcation between programme cycles was often less than clear-cut. This was due in part to spillover of projects approved late in the programme period and in part to the continuation of projects from cycle to cycle. It was noted, though, that, with the exception of one case, all country offices were actively pursuing the closure of operationally completed projects.

42. While it is too early to draw conclusions, the experience to date suggests that the transition to the new programming guidelines and the concept of subprogrammes will require a period of adjustment and assimilation. Although the logical framework analysis methodology was applied at the subprogramme level, the linkages between component projects within the same subprogramme and between the various subprogrammes were not always apparent. Also, while strong efforts have been made to identify indicators to measure outcomes, in some instances the indicators were either too numerous or ambitious, or were not indicative of the "end state" of planned interventions. Hence, more time and practice are needed to assimilate the new concepts and to emphasize a more results-oriented approach. This applies not only to counterparts and programme partners but also to UNFPA staff and CST advisers.

43. In most cases, the country offices took a participatory approach to programme and subprogramme development. This had led to a strong sense of government ownership and commitment among concerned parties, including Governments, NGOs and other groups in civil society, and should facilitate programme implementation. At the same time, the process can be time consuming as well as labour intensive and did prolong the lead time before programme implementation actually started. There has been some variation in compliance with procedures for the use of decentralized approval authority; for example, in some cases appraisal reports were not on record and in other cases transmittal of documentation to headquarters was on occasion late or incomplete.

44. UNFPA has had a significant role in programme execution in most cases, mainly, but not exclusively, in procurement of equipment and supplies. The Fund had been involved in implementing such items as personnel, training and subcontracts. In addition, the line between government and UNFPA execution was often blurred because country offices were heavily involved in supplementing the limited managerial capacity of government agencies. On the one hand, this created a heavy burden on the workload of country office staff and, on the other, it sometimes resulted in unclear accountability.

45. The reviews found that in most cases country offices made extensive use of national experts in project formulation, reviews and other technical tasks but that sometimes the system of performance assessment of national consultants was incomplete. Informal rosters of national experts exist in most offices but there was a clear need to rationalize and manage these better. In those instances where National Project Professional Personnel were used compliance with the intent and procedures for hiring such personnel had sometimes been inconsistent. There appears to be a need to revisit and elaborate on existing guidelines, and UNFPA is in the process of doing this.

46. Country offices prepared technical backstopping plans, but these could be improved in terms of periodicity and comprehensiveness. For example, they refer exclusively to the inputs from CSTs, with insufficient attention to the other levels of potential technical support. The inputs provided by the CSTs were in general appreciated and were much in evidence in all phases of the programme cycle. All offices pointed to the need to review and rationalize the composition of CSTs in line with the programme needs of the countries they serve.

47. Overall, it was evident that the small staff in country offices had difficulty coping with the substantive and managerial demands of decentralization. Improvements in the flow of information within the country offices would enhance communication and avoid compartmentalization of programme officers. Also, the division of labour in programme units in country offices needs to better reflect a programme/subprogramme approach. Country offices need to take a systematic rather than an ad hoc approach to field monitoring visits.

48. Communication between field offices and headquarters units was sometimes less than optimal. Some examples of inconsistent advice and insensitivity to time and human resource constraints in the field were cited. However, at the same time, there were also examples of very productive teamwork between headquarters programme units and country offices. Clarity with respect to accountability and monitoring responsibility in light of increasing decentralization to the field would appear to be in order, and the workforce planning and other exercises are dealing with this.

49. The Executive Director will continue her efforts to ensure probity and accountability in an environment of increasing decentralization. The collaborative relationship with OAPR has enabled optimal use of limited resources in regard to internal audits. Within the OOE, systems are in place to analyse and follow up on findings of external and internal audits, policy application reviews and evaluations. UNFPA is committed to an accountability culture that provides for feedback and dialogue among its staff on policy and institutional development.

VII. RECOMMENDATION

50. The Executive Board may wish to:

(a) Take note of the present report;

(b) Express support for the strengthening the internal audit and oversight capacity of UNFPA.

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